GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1575
ANSWERED ON:04.03.2016
Hike in Excise Duty on Petrol and Diesel
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has hiked the excise duty and other taxes on petrol and diesel at several occasions during each of the last three years and the current year;

(b) if so, the details thereof along with the reasons therefor and the revenue generated as a result thereof;

(c) whether the Government has failed to transfer the benefit of plunging crude oil prices in international market to the consumers and if so, the reasons therefor;

(d) whether the Government is considering to reduce the excise duty on petrol and diesel; and

(e) if so, the time by by which a final decision is likely to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b): The change in the Basic Excise Duty (BED) on petrol and diesel (both branded and unbranded) during the last three years and current financial year are as under:

Petroleum product	Petrol		Diesel	
Notification	Unbranded	Branded	Unbranded	Branded
No.35/2012-CE dated 14.09.2012	(-5.15)	-	1.46	-
No.22/2014-CE dated 12.11.2014	1.50	1.50	1.50	1.50
No.24/2014-CE dated 02.12.2014	2.25	2.25	1.00	1.00
No.1/2015-CE dated 01.01.2015	2.00	2.00	2.00	2.00
No.3/2015-CE dated 16.01.2015	2.00	2.00	2.00	2.00
No.43/2015-CE dated 06.11.2015	1.60	1.60	0.40	0.40
No.46/2015-CE dated 16.12.2015	0.30	0.30	1.17	1.17
No.1/2016-CE dated 01.01.2016	0.37	0.37	2.00	2.00
No.2/2016-CE dated 15.01.2016	0.75	0.75	2.00	2.00
No.4/2016-CE dated 30.01.2016	1.00	1.00	1.50	1.50

Note: In Budget 2015-16, the following changes were effected:

(i) The effective rate of additional duty of excise (AED), commonly known as Road Cess, was increased from Rs.2 per litre to Rs.6 per litre on both petrol and diesel while simultaneously reducing the BED by Rs.4 per litre.
(ii) Education Cess and Secondary and Higher Education Cess levied on excisable goods, including petrol and diesel, were exempted. On this count, BED on petrol and diesel were suitably revised.
In September, 2012, to dis-incentivise dieselization of the economy, the price differential between petrol and diesel was reduced, by reducing the BED on petrol by Rs.5.15 per litre and increasing the BED on diesel by Rs.1.46 per litre. These changes were revenue neutral.

The changes in the Basic Excise Duty (BED) on petrol and diesel (both branded and unbranded) since November 2014, were affected considering, inter alia, the continued fall in international prices of crude oil (Indian basket) and petroleum products and the fact that there was an over recovery in petrol and diesel. The revenue gain on account of the aforesaid increases was about Rs.20,000crore in F.Y. 2014-15 and is estimated at about Rs.16, 750 crore in F.Y. 2015-16.

(c) : The Retail Selling Price [between April, 2015 and February, 2016] of Petrol in Delhi has changed from Rs.66.67 per litre (on 01.07.2015) to Rs.60.00 per litre (on 01.02.2016) while the Retail Selling Price of Diesel in Delhi has changed from Rs.52.30 per litre (on 01.06.2015) to Rs. 44.70 per litre(on 01.02.2016).

(d) &(e): There is no such proposal under consideration at present.
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